

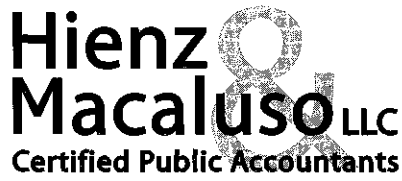
REPORT

**LOUISIANA SUPERDOME MARKETING AND
PROMOTIONAL FUND
NEW ORLEANS, LOUISIANA**

JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

August 15, 2012

To the Board of Managers
Louisiana Superdome Marketing and Promotional Fund
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the Louisiana Superdome Marketing and Promotional Fund (a Louisiana nonprofit organization) ("the Fund") as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Fund as of June 30, 2011, were audited by other auditors whose report dated August 15, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Superdome Marketing and Promotional Fund as of June 30, 2012, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2012, on our consideration of the Louisiana Superdome Marketing and Promotional Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hienz & Macaluso, LLC

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NEW ORLEANS, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets		
Cash	\$ 102,699	\$ 104,774
Accounts receivable	12,403	948
Due from affiliate	73,754	35,850
Deposits	35,869	34,769
Prepaid expenses	<u>-</u>	<u>275,061</u>
Total current assets	<u>224,725</u>	<u>451,402</u>
Property, plant and equipment		
Construction in progress	308,265	10,331,170
Advance on construction	1,495,251	2,599,019
Leasehold improvements	11,126,673	-
Equipment, net of accumulated amortization	<u>665,559</u>	<u>776,840</u>
Total property, plant and equipment	<u>13,595,748</u>	<u>13,707,029</u>
Other assets		
Restricted cash - escrow	344,197	409,376
Loan fees, net of accumulated amortization	<u>767,467</u>	<u>822,286</u>
Total other assets	<u>1,111,664</u>	<u>1,231,662</u>
Total assets	<u><u>\$ 14,932,137</u></u>	<u><u>\$ 15,390,093</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 135,533	\$ 46,093
Current maturities of capital lease payable	103,219	97,693
Due to affiliates	546,264	276,673
Management fee payable	<u>-</u>	<u>53,125</u>
Total current liabilities	<u>785,016</u>	<u>473,584</u>
Long-term liabilities		
Long-term debt	14,800,000	14,800,000
Capital lease payable, long-term	<u>610,565</u>	<u>713,784</u>
Total long-term liabilities	<u>15,410,565</u>	<u>15,513,784</u>
Net assets		
Unrestricted		
Board designated	-	111,845
Undesignated	<u>(1,263,444)</u>	<u>(709,120)</u>
Total net assets	<u>(1,263,444)</u>	<u>(597,275)</u>
Total liabilities and net assets	<u><u>\$ 14,932,137</u></u>	<u><u>\$ 15,390,093</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NEW ORLEANS, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues		
Rental revenue	\$ 35,775	\$ 12,500
Service revenue	168,149	28,670
Service expenses	<u>(436,489)</u>	<u>(190,768)</u>
Net direct event loss	<u>(232,565)</u>	<u>(149,598)</u>
Concession revenue	1,132,174	434,560
Electrical service revenue	14,962	3,459
Audio visual revenue	617	162
Club XLIV revenue	239,763	131,262
Bud Light Tent revenue	130,198	-
Novelty sales	1,600	-
Direct operating expenses	<u>(728,751)</u>	<u>(346,286)</u>
Net ancillary income	<u>790,563</u>	<u>223,157</u>
Other event income	1,198	-
Net event income	559,196	73,559
Lease income	885,052	607,796
Management fee income	<u>115,200</u>	<u>57,600</u>
Net operating revenues	<u>1,559,448</u>	<u>738,955</u>
Expenses		
Salaries and wages	49,586	39,917
Payroll taxes and benefits	11,161	14,383
Contracted services	21,743	8,242
General and administrative	200,730	60,439
Lease expense	996,527	686,993
Professional fees	37,266	88,391
Promotional	4,463	80,135
Travel and entertainment	440	1,304
Repairs and maintenance	12,164	20,902
Supplies	70,098	27,177
Utilities	328,292	203,222
Other	11,201	12,272
Non-event concession expense	<u>54,899</u>	<u>40,922</u>
Total indirect expense	<u>1,798,570</u>	<u>1,284,299</u>
Net loss from operations	(239,122)	(545,344)
Other income (expense)		
Miscellaneous Income	2,453	330
Service and management fee expense	(22,500)	(26,209)
Amortization of leased equipment	(111,281)	(73,985)
Amortization of loan fees	(54,819)	(22,841)
Interest expense	<u>(240,900)</u>	<u>(121,933)</u>
Net other expense	<u>(427,047)</u>	<u>(244,638)</u>
Change in net assets	(666,169)	(789,982)
Net assets, beginning of year	<u>(597,275)</u>	<u>192,707</u>
Net assets, end of year	<u>\$ (1,263,444)</u>	<u>\$ (597,275)</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NEW ORLEANS, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (666,169)	\$ (789,982)
Adjustments to reconcile net loss to net cash from operating activities:		
Amortization	166,100	96,826
Net change in operating assets and liabilities:		
Accounts receivable	(11,455)	(948)
Deposits	(1,100)	(34,769)
Prepaid expenses	275,061	(275,061)
Management fee payable	(53,125)	53,125
Accounts payable and accrued expenses	89,440	46,093
Net cash used in operating activities	<u>(201,248)</u>	<u>(904,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments on construction in progress	-	(12,930,189)
Net cash used in investing activities	<u>-</u>	<u>(12,930,189)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of notes payable	-	14,800,000
Payments for loan fees	-	(845,127)
Payments on capital lease payable	(97,693)	(39,348)
Changes in amounts due to affiliates	231,687	240,823
Net cash provided by financing activities	<u>133,994</u>	<u>14,156,348</u>
Net change in cash	(67,254)	321,443
Cash at beginning of year	<u>514,150</u>	<u>192,707</u>
Cash at end of year	<u><u>\$ 446,896</u></u>	<u><u>\$ 514,150</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash	\$ 102,699	\$ 104,774
Restricted cash - escrow	344,197	409,376
	<u><u>\$ 446,896</u></u>	<u><u>\$ 514,150</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 240,900</u>	<u>\$ 121,933</u>
Equipment financed through capital lease	<u>\$ -</u>	<u>\$ 850,825</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

The Louisiana Superdome Marketing and Promotional Fund ("the Fund") was created under the terms of the 1983 amendment (adopted on July 13, 1983) to the Management and Operating Agreement (adopted as Act 64 of the 1977 Legislature) between SMG (formerly Facilities Management of Louisiana) and the State of Louisiana ("the State") to manage the Louisiana Superdome ("the Superdome").

The purpose of the Fund is to enhance the marketing capabilities of the Superdome to attract events which might otherwise not wish to use the Superdome because of its rental and operational costs as compared to other smaller facilities. The assets of the Fund may be used to offset a portion of these higher charges to the event promoter to enhance the competitiveness of the Superdome.

Effective October 11, 2010, the Fund amended its articles of incorporation in order to participate as a qualified active low-income community business and borrower in accordance with the new market tax credits financing requirements (see note 4). Due to the nature of the new market tax credits transaction, the Fund is presented as a discretely presented component unit of the Louisiana Superdome and Exposition District ("LSED") effective fiscal year 2011.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recorded when incurred. Contributions are recognized when received or unconditionally promised. In-kind donations are recognized at their fair market value when received. Financial presentation follows the recommendations of non-profit accounting in which the Fund is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Fund and/or the passage of time. The Fund has no temporarily restricted net assets.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Fund pursuant to those stipulations. The Fund has no permanently restricted net assets.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of June 30, 2012 and 2011, the Fund has unrestricted, board-designated net assets of \$0 and \$111,845, respectively, for which the Board has reserved for specific promotional activities (see note 2).

Uses of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant items subject to such estimates and assumptions include the valuation of construction in progress. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

Cash

Cash and cash equivalents, including restricted cash, consist of demand deposits, money market accounts, and all short-term investments with maturities at the date of acquisition of 90 days or less. Restricted cash consists of escrow deposits maintained as a part of new market tax credits financing requirements.

Revenues and Receivables

Rental, service, and ancillary revenues are based on the terms of contracts signed with promoters of events and are shown net of related expenses in the Statements of Activities.

Receivables are charged to bad debt when they are deemed uncollectible. As of June 30, 2012 and 2011, management deemed that no allowance for uncollectible accounts is necessary.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at acquisition or construction costs and are depreciated on a straight-line basis over their estimated useful lives. Items which are contributed are recorded at fair value. Maintenance and repairs are expensed as incurred and major improvements are capitalized.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the Statements of Activities.

Prepaid Expenses

Prepaid expenses consist of funds deposited for allocation payments and prepaid rent.

Amortization of Loan Fees

Loan fees paid in connection with securing the new market tax credits financing are amortized on a straight-line basis over the term of the respective debt. Accumulated amortization as of June 30, 2012 and 2011 was \$77,660 and \$22,841, respectively. Amortization expense was \$54,819 and \$22,841 for the years ended June 30, 2012 and 2011, respectively.

Income Taxes

The Fund is exempt from Federal Income taxes under section 501 (c)(6) of the U.S. Internal Revenue Code, and accordingly, no provision for income taxes has been reflected in these financial statements.

The Fund applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Fund has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. The Fund's tax returns for the years ended June 30, 2011, 2010, and 2009 remain open and subject to examination by taxing authorities. The Fund's tax return for the year ended June 30, 2012 has not yet been filed.

Impairment

Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

appraisals. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the estimated cost to dispose. There were no impairments of long-lived assets recorded by management during the year ended June 30, 2012.

2. ALLOCATION PAYMENTS

Allocation payments, which are shown as promotional expenses on the Statements of Activities, are approved by the Board of Managers of the Fund prior to negotiation with potential promoters of Superdome attractions. The Board of Managers approves the terms of the allocation payments and an estimate of the cost to the Fund. At year-end, anticipated payments are considered either firm commitments, which are reserved, or as pending and/or tentative commitments.

3. CONCENTRATION OF CREDIT RISK

At June 30, 2012, unrestricted cash deposits were approximately \$105,172. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000. In the event of a failure of the institution, the FDIC is not obligated to pay uninsured deposits.

4. LONG-TERM DEBT

Long-term debt consists of the new market tax credits financing totaling \$14,800,000 as of June 30, 2012 and 2011. A total of \$9,800,000 was received under loans from one community development entity ("CDE"), with a loan of \$7,389,333 ("Loan A1") and a loan of \$2,410,667 ("Loan B1"). Loan A1 is amortized in 95 equal monthly payments commencing August 5, 2018 until June 5, 2026 with a final installment due on June 30, 2026. Loan B1 requires a principal payment of \$100,000 on October 22, 2017, and the remaining balance to be amortized in 95 equal monthly payments commencing August 5, 2018 until June 5, 2026 with a final installment due on June 30, 2026.

A total of \$5,000,000 was received under loans from a second CDE, with a loan of \$3,635,000 ("Loan A2") and a loan of \$1,365,000 ("Loan B2"). Loan A2 and Loan B2 are amortized in 95 equal monthly payments commencing August 5, 2018 until June 5, 2026 with a final installment due on June 30, 2026.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

LONG-TERM DEBT (continued)

The rate of interest on all loans is 1.34% with payment commencing February 7, 2011 due monthly. Interest on long-term debt during the years ended June 30, 2012 and 2011 is \$198,593 and \$91,281, respectively.

The proceeds from the issuance of the debt were used to purchase the rights to the construction in progress and advance funds to projects for Champions Square and Club XLIV as shown on the Statements of Financial Position. The projects were completed in June 2012; the projects will be capitalized as leasehold improvements on the Statements of Financial Positions and subject to amortization at completion. The leasehold improvements are being incurred under a lease which LSED has at tenant with Zelia, LLC, owner of the New Orleans Centre Complex, where the projects are occurring. The leasehold improvements serve as collateral for the debt. In addition, the debt is fully guaranteed by LSED.

The new market tax credits financing requires the Company to maintain certain escrow deposits for interest payments. As of June 30, 2012 and 2011, these amounts totaled \$344,197 and \$409,376.

Maturities of the long-term debt are as follows:

2013	\$ -
2014	-
2015	-
2016	-
2017	-
Thereafter	<u>14,800,000</u>
	<u>\$14,800,000</u>

5. FUNCTIONAL ALLOCATION OF EXPENSES

The Fund has allocated its expenses on a functional basis for the years ended June 30, 2012 and 2011, as follows:

	<u>2012</u>	<u>2011</u>
Champions Square	\$ 247,599	\$ 125,709
Parking Garage	122,053	83,780
Club XLIV	125,309	121,112
Marketing	4,530	80,000
General and Administrative	<u>1,299,079</u>	<u>873,698</u>
	<u>\$1,798,570</u>	<u>\$1,284,299</u>

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. CAPITAL LEASE PAYABLE

The fund leases equipment under a long-term capital lease. Future minimum payments for the capitalized lease as of June 30, 2012 are as follows:

2013	\$ 140,000
2014	140,000
2015	140,000
2016	140,000
2017	140,000
Thereafter	<u>140,000</u>
	840,000
Less amounts representing interest	<u>(126,216)</u>
Present value of minimum lease payments	713,784
Less current portion	<u>103,219</u>
Long-term portion	<u><u>\$ 610,565</u></u>

At June 30, 2012 the net book value of the equipment recorded under the capital lease amounted to:

Equipment	\$ 850,825
Less accumulated amortization	<u>(185,266)</u>
	<u><u>\$ 665,559</u></u>

Amortization expense related to the capital lease during the years ended June 30, 2012 and 2011 was \$111,281 and \$73,985, respectively. Amortization is recorded straight line over the lease term of the equipment. Interest expense related to the capital lease during the years ended June 30, 2012 and 2011 was \$42,307 and \$30,652, respectively.

7. COMMITMENTS AND CONTINGENCIES

Due to/from Affiliates

The fund periodically maintains balances due to and from entities controlled by its members, and/or LSED or SMG. These balances are primarily noninterest-bearing, unsecured, and have no set repayment terms. Amounts included as current represent the Fund's estimate of principal payments which will be repaid in the following year. Actual repayments could differ from these estimates.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

COMMITMENTS AND CONTINGENCIES (continued)

Management Fees

As part of the new market tax credits financing, the Fund shall pay an annual fee to the investment fund of \$7,500 for tax return prep, a management fee of \$65,000 annually to one CDE, and servicing fees of \$15,000 and \$7,500 annually to each of the CDEs. The fees shall be paid quarterly and prorated for years 2011 and 2017 as applicable. The first fees shall be due on March 31, 2011 and the subsequent ones due the fifth of January, April, July and October until October 22, 2017. The managing and servicing fees totaled \$22,500 and \$26,209 for the years ended June 30, 2012 and 2011, respectively, and are recorded in other income (loss) on the Statements of Activities.

A management agreement was signed between SMG and the Fund, under which the Fund shall pay SMG \$75,000 annually (adjusted for CPI annually) for service from October 13, 2010 to June 30, 2026. The management fee for the years ended June 30, 2012 and 2011 amounted to \$75,000 and \$53,125, respectively, and is recorded in general and administrative expenses on the Statements of Activities.

A cooperative endeavor agreement was signed between LSED and the Fund, under which LSED shall pay the marketing fund \$9,600 per month for managing Champions Square from November 1, 2010 to June 30, 2026. The managing fees totaled \$115,200 and \$57,600 for the years ended June 30, 2012 and 2011, and are recorded in other income on the Statements of Activities.

Operating Leases

The Fund pays lease expense from the sublease of the New Orleans Center Complex to LSED, under an agreement signed from October 13, 2010 until June 30, 2026. For the period from inception until August 21, 2011, a payment of \$850,187 was paid for the lease. Accordingly, prepaid rent of \$163,194 is recorded on the Statement of Financial Position as of June 30, 2011 and lease expense of \$996,527 and \$686,993 is recorded on the Statements of Activities for the years ended June 30, 2012 and 2011, respectively.

According to the agreement, \$83,333 will be paid monthly from September 1, 2011 to June 30, 2012 and from July 1, 2018 through June 30, 2026. From July 1, 2012 through June 20, 2018, the lease payment is the sum of \$228,571 per fiscal year plus two components of base rent adjusted for the CPI index.

The Fund receives lease income of \$850,000 annually from the sublease of the Parking Garage to SMG, under an agreement signed from October 13, 2010 until June 30, 2026. Rent is payable quarterly beginning November 15, 2010 and is prorated for the first and

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

COMMITMENTS AND CONTINGENCIES (continued)

last year. If the gross revenue received by SMG from operations of the premises exceeds \$1,250,000 in any fiscal year, 65% of the excess shall be paid as additional parking garage rent. Beginning June 30, 2011, the base and gross rents shall be adjusted for the CPI index. The fund is responsible for paying all utilities for the parking garage. The lease income totaled \$885,052 and \$607,796 for the years ended June 30, 2012 and 2011, respectively, and is recorded in other income on the Statements of Activities.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 15, 2012, and determined that no events occurred that required disclosure.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

August 15, 2012

To the Board of Managers
Louisiana Superdome Marketing and Promotional Fund
New Orleans, Louisiana

We have audited the statement of financial position of the Louisiana Superdome Marketing and Promotional Fund (a Louisiana nonprofit organization) ("the Fund") as of June 30, 2012 and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated August 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies,, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, the Fund's management and pass-through entities, such as the state of Louisiana and Legislative Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

(1) Summary of Auditors' Results

- a. The type of report issued on the financial statements: Unqualified opinion
- b. Reportable conditions in internal control were disclosed by the audit of the financial statements: None reported Material weaknesses: None
- c. Noncompliance which is material to the financial statements: None
- d. Management letter comments issued: None

**(2) Findings Relating to the Financial Statements Reported in Accordance with
Government Auditing Standards: None**

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
New Orleans, Louisiana

Summary Schedule of Prior Year Findings and Questioned Costs

Year ended June 30, 2011

N/A